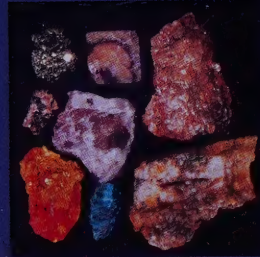


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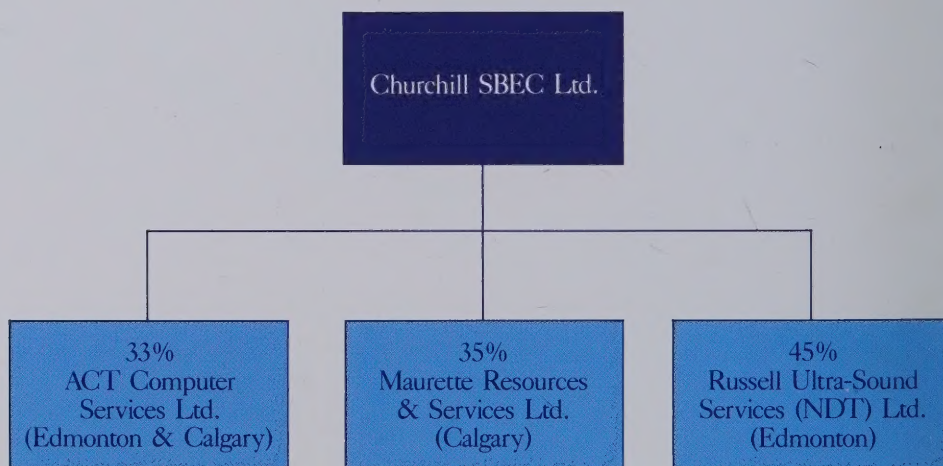


A N N U A L  
R E P O R T  
1 9 8 5

Churchill SBEC Ltd. was incorporated on December 19th, 1984, under the Business Corporations Act (Alberta). It is an investment holding corporation through which investors participate in a managed portfolio of equity securities of small businesses, held primarily for the purposes of capital appreciation.

Churchill SBEC Ltd. was registered under the Alberta Small Business Equity Corporation Act on January 24th, 1985. The business of Churchill SBEC is restricted by its Articles, as required under the Act, to assisting in the development of small businesses in Alberta by:

- a) providing capital through the acquisition and holding of securities of small businesses; and
- b) providing business and managerial expertise to small businesses.



#### The Story Behind our Cover

The steps to success on our cover depict the three industries in which your Company has invested to date: computer services, ore analysis and non-destructive testing of small diameter pipes. In coming years our Annual Report cover will illustrate additional steps as we build your Company for the future.



This is the first annual report of Churchill SBEC Ltd. Your Company was formed in December, 1984 with an initial capitalization of \$500,000 provided by The Churchill Corporation. On June 20th, 1985, a public issue of \$9.5 million in \$10 par value common shares was successfully concluded to bring the capitalization up to the maximum \$10 million permitted under the Alberta Small Business Equity Corporations Act. After issue costs of \$600,000, \$9.4 million was available to invest in small businesses in Alberta. Although the Company was registered as a Small Business Equity Corporation on January 24th, 1985, it didn't really commence business until immediately following the public share issue. Accordingly this report covers activities and results for the last six months of 1985.

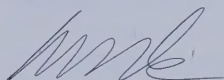
In 1985 your Company earned net income of \$215,962 which represents \$.22 per share. On January 6th, 1986 a dividend of \$.10 per share was paid to shareholders of record as of December 16th, 1985. Your Company's investments in small businesses are generally made by a combination of common and preferred shares so that some dividend income will be generated on the preferred shares during the early years while awaiting the common share investments to mature and produce additional dividend income or capital gains upon sale.

To date we have made three investments which are highlighted on pages 6 through 8 of this report. Your Board of Directors has approved two additional investments totalling \$750,000 which, if concluded, would increase our eligible investments to \$2.6 million.

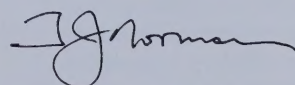
While the recent drop in oil prices and the consequent impact on the economy of Alberta are of concern to your Board of Directors, none of our approved investments to date are directly affected. We believe that the medium and long-term economic outlook for Alberta is excellent and we are continuing to seek diversified growth investments for your Company.

We encourage our shareholders to refer potential small business investments to your management team. A detailed description of our investment guidelines is included on pages 2 and 3 of this report.

On behalf of the Board of Directors,



*Allan Olson*  
*Chairman of the Board*



*Terrance J. Norman*  
*President & Chief Executive Officer*  
*March 15, 1986*

**I**n order to maintain its registration as a Small Business Equity Corporation, among other things, Churchill SBEC must ensure that its investments in small businesses meet the eligibility requirements under the Act.

The principal investment objective of Churchill SBEC is long-term growth of capital through investment in the equity securities of small businesses based in Alberta. Churchill SBEC intends to develop a diversified portfolio of investments in a number of small businesses, selected on their individual merits, which will achieve the maximum return for our shareholders while at the same time minimizing the risks wherever possible.

It is the policy of Churchill SBEC to limit investment in any one small business to a range of between \$100,000 and \$2,000,000. In consequence, Churchill SBEC plans to diversify its portfolio of eligible investments by investing in a number of small businesses in various industries and in different geographic locations throughout Alberta.



*Your executive committee: (left to right) Bob MacLean, Dick Innes, Terry Norman, Gerry Pearson, Al Olson, Don Brewster.*

### Investment Procedure

The Churchill Corporation, as manager of Churchill SBEC, plays an active role in soliciting, investigating, evaluating, and analyzing potential investments for Churchill SBEC. Prior to recommending any investment opportunity to the Executive Committee of the Churchill SBEC Board, the Manager undertakes analyses of the management, business plan, financial statements and market conditions relevant to the subject small business.

The Executive Committee of Churchill SBEC is comprised of five members of the Board: Messrs. Brewster, MacLean, Norman, Olson and Pearson and Mr. Innes, Vice-President, Finance. The Manager's analyses of the small business together with its recommendations are presented to the Executive committee for review and assessment. The Executive Committee then determines whether further investigations should be made and it directs the Manager to obtain any additional information which the Executive Committee requires. In assessing the investment opportunity, the Executive committee utilizes the investment criteria set forth below. As part of the investigation process, members of the Executive Committee meet with management of the small business and tour their facilities. Investment opportunities which are favorably assessed by the Executive Committee are then recommended to the Board of Directors for approval.

Once a decision has been made by the Churchill SBEC Board to make an investment in a small business, the manager then negotiates an agreement among the small business and all its shareholders to provide for: a) participation by Churchill SBEC in long-term management decisions; b) representation on the board of directors of the small business; and, c) the transferability of shares of the small business.

On a weekly and monthly basis the Manager also monitors the activities of the small businesses in which Churchill SBEC has invested.



Churchill SBEC also actively seeks to participate with other venture capital corporations, including other SBECs, in investments in small businesses.

In order to avoid any potential conflict of interest, The Churchill Corporation has agreed, until such time as 70% of the equity capital of Churchill SBEC has been invested, to refer to Churchill SBEC all opportunities for investment in small businesses which come to its attention.

### Investment Criteria

In selecting small businesses for investment, Churchill SBEC considers the following factors: management, market factors, impact of the investment, growth potential, risk and rate of return. Churchill SBEC seeks to invest in small businesses that have:

- a) existing or available proven management and well defined business objectives, together with a comprehensive business plan;
- b) significant market growth potential because of growth in the market generally or because the small business is in a position to increase its market share through expansion, unique or innovative products or services, or decreased competition;
- c) the ability to expand its facilities, inventories, services or markets as a result of the equity investment, thereby significantly improving its profitability.

Of course there must be a favorable relationship between the projected rate of return on the investment in a small business and the anticipated risk of such investment. While there can be no assurances given regarding future performance of such investments, Churchill SBEC generally looks for investments which have the potential for generating a high rate of return while recognizing that such investments are most often of a high-risk nature.

According to the Act, investments must be made through the purchase of new equity (voting) shares of eligible small businesses, and Churchill SBEC cannot

own more than 49% of individual small businesses. Churchill SBEC prefers to invest in situations where it acquires at least a 30% interest in the small business via a combination of common and preferred shares.

Almost any small business incorporated under the Business Corporations Act of Alberta and controlled by residents of Canada is eligible as an SBEC investment as long as it meets the following conditions:

- a) it has fewer than 100 employees;
- b) it pays 75% or more of its wages and salaries for Alberta-related operations; and
- c) it does not receive more than 50% of its annual revenue from:
  - the lending of money
  - rental income from real property
  - mortgages or other debt instruments
  - the selling of insurance or real estate
  - the purchase and sale of shares or commodities traded on a stock exchange
  - or any combination of these activities.

In addition, businesses which own oil and gas are not eligible, nor can investments be made which involve the purchase of scientific research tax credit shares.

Investments by Churchill SBEC in small businesses must be at arm's length. The regulations state that an SBEC cannot invest in a small business if any shareholder of the SBEC holds any shares in the small business. Likewise, the arm's length provision prevents investments in small businesses that are "associated" with the SBEC.

The program also imposes a few restrictions on the use of the equity capital by the small business receiving the investment. The restrictions are that the small business may not use these funds for lending, for reinvestment outside Canada or for purchasing securities. In addition, the funds cannot be used to buy out existing shareholders but they can be used to repay debt other than shareholders' loans.

# BOARD OF DIRECTORS

## Senior Officers

Allan Olson  
Chairman of the Board

Terrance J. Norman  
President &  
Chief Executive Officer

Richard B. Innes  
Vice-President, Finance

Eric John Slatter  
Secretary

R. Blake Ashforth<sup>+</sup>  
President  
San Rico Resources  
Calgary, AB



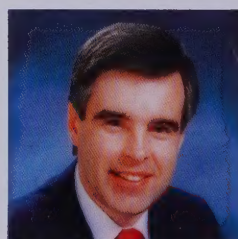
Robert G. Brawn  
Chairman & C.E.O.  
Danjoly Resources Ltd.  
Calgary, AB

Donald J. Brewster<sup>\*o</sup>  
Controller  
Urban Holdings Ltd.  
Edmonton, AB



J. Gregory Greenough<sup>+</sup>  
President  
MacLab Enterprises Ltd.  
Edmonton, AB

Robert D. MacLean<sup>\*</sup>  
President & C.E.O.  
Genstar Cement  
Limited  
(recently retired)  
Edmonton, AB



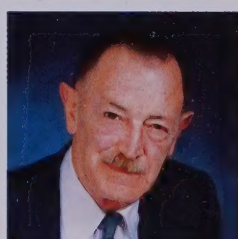
Terrance J. Norman<sup>\*+</sup>  
President & C.O.O.  
The Churchill Corporation  
Edmonton, AB

Allan S. Olson<sup>\*</sup>  
President  
Stuart Olson  
Constr. Ltd.  
Edmonton, AB



Gerald E. Pearson<sup>\*o</sup>  
President  
Westspear  
Developments Ltd.  
Edmonton, AB

David D. Schuster<sup>o</sup>  
Portfolio Manager —  
Equities  
AGT Pension Fund  
Edmonton, AB



Eric J. Slatter  
President  
Corporate Counsellors Ltd.  
Edmonton, AB

\* member of the Executive Committee  
+ member of the Audit Committee  
o member of the Long Range Planning Committee



## MANAGEMENT TEAM — THE CHURCHILL CORPORATION

**A**s Manager, The Churchill Corporation is responsible for management and business affairs of Churchill SBEC in accordance with the investment policies determined by the Board. The initial term of the Management Agreement is until January 1st, 1989 and thereafter it is automatically renewed from year to year unless terminated.

The Churchill Corporation was incorporated under the Companies Act (Alberta) on August 31, 1981. It was incorporated to facilitate the consolidation of 12 companies that had been established over the previous 10 years. The Manager's assets include real estate in the form of rental properties and properties for development and sale, primarily in the Edmonton region with some properties located in Phoenix, Arizona, and Vancouver, British Columbia. The Manager also has investments in oil and gas properties in Canada and the United States. The Manager also has significant shareholdings in Columbia Trust company of Vancouver and The Marlin Travel Group Ltd. of Edmonton and holds other equity interests in a number of public and private corporations across Canada and the United States including almost 10% of the issued shares of Churchill SBEC Ltd.

As at December 31, 1985, the Manager had assets of \$32.7 million. The Manager has also established and currently manages Churchill Mortgage Investment Corporation Ltd. which as at February 28, 1986, had assets of \$3.7 million.

The following persons are officers of the Manager:

### Officers of The Churchill Corporation

- a) Gary G. Campbell, Q.C., B. Comm. and LL.B. - Chairman and Chief Executive Officer
- b) Terrance J. Norman, B. Comm. and M.Sc. (Bus. Admin.) - President and Chief Operating Officer
- c) Ernest F. Stevens, B. Comm. - Senior Vice-President
- d) Richard B. Innes, C.A. - Chief Financial Officer
- e) Judy Scott - Chief Administration Officer
- f) Garry Ollis, C.A. - Controller



*Officers of The Churchill Corporation: (left to right) Garry Ollis, Judy Scott, Dick Innes, Gary Campbell, Terry Norman*

# INVESTMENTS IN SMALL BUSINESSES

**ACT Computer  
Services Ltd.**  
11735 - 170th Street  
Edmonton, Alberta  
Phone: 451-5555

ACT Computer Services Ltd., Alberta's largest information services and software company has dedicated itself to providing state-of-the-art computer services to business, industry and government both locally and internationally for over sixteen years.

The majority of ACT's clients process applications of a commercial nature with ACT either augmenting in-house capabilities or acting as a complete replacement for the in-house data processing department. In addition to shared processing services, ACT offers a variety of software products and services to the international market place. World-scale companies such as General Electric have selected ACT to provide their applications software and are constantly returning to ACT for additional systems and consulting services. To date, ACT's software products have been installed in over 100 cities covering 10 countries and spanning 5 continents.

Among ACT's business applications are the sophisticated Equipment Dealer Management (DMICS) and Fleet Management (MESIS) systems. These systems have been installed in the United States, Venezuela, Great Britain, Germany, Australia, Italy and Spain and have satisfied a variety of functional needs for companies ranging from the small equipment dealer to the large multi-national corporation. In recognition of its export success ACT was awarded the prestigious "Export Achievement Award" by the Alberta Government in 1984.

In summary, ACT Computer Services Ltd. is a team of almost one hundred data processing professionals whose skill-set spans a wide spectrum of computer technology expertise and business experience. ACT's goal is to provide cost-effective and technologically sound computer solutions to the marketplace.



*ACT's data processing professionals provide a wide spectrum of expertise.*



Maurette Resources & Services Limited, located near the Calgary International Airport, provides comprehensive analytical services to the mining industry, using X-Ray Fluorescence Spectrometry for analysis of ore samples.

This analytical service is supported by modern sample preparation facilities, operated exclusively by geologists to achieve high proficiency in precision and cleanliness.

Arrangements have been made in 1986 to process ore samples from Vancouver Island to Newfoundland including the North West Territories, as well as from the United States, Costa-Rica, Guyana and Mongolia.

Bernard Maurette, President, states that:

"Maurette emphasizes high quality, non destructive analysis. We also provide specialized service directed at meeting the customer's unique needs. For example, we are transporting samples from other parts of the world with faster turn-around time for analytical results than from any other similar service company."



*Maurette's geologist ensures high quality sample preparation.*

**Maurette Resources & Services Ltd.**

*109 - 5621 - 11th Street N.E.*

*Calgary, Alberta*

*Phone: 295-1081*

**Russell Ultra-Sound  
Services (NDT) Ltd.**  
4906 - 75th Avenue  
Edmonton, Alberta  
Phone: 468-2023

Russell Ultra-Sound (NDT) Ltd. is the largest non-union inspection firm in Western Canada. Incorporated in 1972, the company has expanded rapidly, and now employs over fifty technicians, engineers, and support personnel from its headquarters in Edmonton. Five "satellite" offices are maintained in major Alberta cities, as well as Regina, Saskatchewan.

In 1983, a separate company was incorporated under the name "Cyberscope Industries Inc." to research and develop a new method of inspecting ferromagnetic tubing and pipes. Cyberscope employs ten research and development staff, and has a prototype unit now being field tested. The "Ferroscope VIII" is receiving a great deal of attention worldwide because it is the only non-destructive way of inspecting small diameter, magnetic tubes and pipes with a relatively fast response time. Churchill SBEC's investment of \$750,000 will enable Russell/Cyberscope to fully exploit the potential of this new technology and its many commercial applications.

The extra-ordinary growth potential of Cyberscope, coupled with the steady growth and stability of Russell's basic inspection services, make this an attractive prospect for high returns for Churchill SBEC Ltd.'s shareholders.



*David Russell, president is deeply involved in the development of "Ferroscope VIII."*



During the period ended December 31st, 1985, Churchill SBEC Ltd. earned gross revenue of \$443,039 resulting in net income of \$215,962 or \$0.22 per share. The majority of gross income was generated from investments in term deposits and marketable securities.

As shown on the balance sheet at December 31st, 1985 your company had \$2,521,072 in term deposits in trust with Alberta Treasury Branches pending investment in eligible small businesses. As part of the operating account your company also had term deposits totalling \$855,000 placed with Alberta Treasury Branches.

In addition, your company held \$5,039,037 in preferred shares as follows:

Security	Value
Royal Bank of Canada	\$1,014,500
Canadian Imperial Bank of Commerce	\$1,002,375
Hee's International	\$1,013,200
Canadian Utilities	\$2,008,962
Total:	\$5,039,037

Since December 31, 1985 the Hees and the Royal Bank shares have been sold at a profit to reduce our total portfolio of marketable securities to \$3,001,932. The reason for investing in high rated preferred shares rather than term deposits is that the after tax yield is higher, since dividends on preferred shares are non-taxable to Churchill SBEC Ltd. as a public company. In the future these marketable securities will be sold and replaced by additional investments in eligible small businesses.

In 1985 the two equity investments in eligible small businesses, which were made at the end of August and September, generated income of \$33,334 which is approximately a 10% return on an annualized basis on the small business investments of \$1,117,500 as at year end.

Churchill SBEC generally holds between 30% and 49% equity in the companies in which it invests and takes a long-term view of these investments. Consequently, your Company has selected equity accounting as best reflecting the financial performance of these investments in small businesses. This accounting method records Churchill SBEC's share of the net income of small businesses as it is earned, rather than attempting to value the investments on a regular basis.

Income taxes of \$28,218 in 1985 were fully covered by the public share issue costs (which are deductible) and, as discussed in the Notes to the Financial Statements, your Company has a significant tax loss carry forward to offset against future taxable income.

Dividends of \$0.10 per share, totalling \$100,000, were declared on December 10th, 1985 payable to shareholders of record December 16th, 1985. These cash dividends were paid in early January, 1986.

## Auditors' Report

To the Shareholders of  
Churchill SBEC Ltd.:

We have examined the balance sheet of Churchill SBEC Ltd. as at December 31, 1985 and the statements of income and retained earnings and changes in cash resources for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Churchill SBEC Ltd. as at December 31, 1985, the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Statement of Income and Retained Earnings *For the year ended December 31, 1985*

Revenue:	
Equity income (Note 5)	\$ 33,334
Interest and dividends	409,705
	<u>443,039</u>
Expenses:	
Management fees (Note 6)	125,000
Directors and shareholders meetings	30,595
Advertising and promotion	21,788
Professional fees	21,476
	<u>198,859</u>
Income before Income Taxes	244,180
Provision for Income Taxes (Note 7)	28,218
Net Income	<u>215,962</u>
Dividends declared	<u>(100,000)</u>
Retained earnings, end of year	<u>\$115,962</u>
Net Income per share	<u>\$0.22</u>

*(See accompanying notes)*

*Clarkson Gordon*

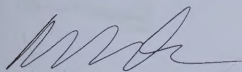
*Chartered Accountants  
Edmonton, Canada  
March 14, 1986*

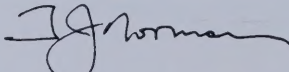


Balance Sheet *December 31, 1985 (with comparative figures at December 31, 1984)*

	1985	1984
<b>Assets</b>		
Current Assets		
Cash and term deposits	\$ 923,665	\$500,000
Term deposits, in trust (Note 2)	2,521,072	
Interest and dividends receivable	54,688	
Marketable securities at cost which approximates market value	5,039,037	
	8,538,462	500,000
Equity Investments (Note 3)	1,129,834	
	<b>\$9,668,296</b>	<b>\$500,000</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts payable	\$ 25,570	
Dividends payable	100,000	
	125,570	
Shareholders' Equity		
Share capital (Note 4)	9,426,764	\$500,000
Retained earnings	115,962	
	9,542,726	500,000
	<b>\$9,668,296</b>	<b>\$500,000</b>

On behalf of the Board:

  
Director

  
Director

Statement of Changes in Cash Resources

*For the year ended December 31, 1985 (with comparative figures for 1984)*

	1985	1984
<b>Operations</b>		
Net income	\$ 215,962	
Add (deduct) non-cash items:		
Share of equity income	(12,334)	
Income tax provision	28,218	
	231,846	
Increase in interest and dividends receivable	(54,688)	
Increase in accounts payable	25,570	
Cash provided by Operations	202,728	
Investment Activities:		
Additions to equity investments	(1,117,500)	
Investment in marketable securities	(5,039,037)	
Cash used in investing activities	(6,156,537)	
Financing Activities:		
Issuance of common shares	9,500,000	\$500,000
Cost of share issuance	(601,454)	
Cash provided by financing activities	8,898,546	500,000
Increase in cash	2,944,737	500,000
Cash position, beginning of year	500,000	
Cash position, end of year	<b>\$3,444,737</b>	<b>\$500,000</b>

*Cash position comprises cash and term deposits and term deposits in trust (see Note 2).  
(See accompanying notes)*

## Notes to Financial Statements

December 31, 1985

Churchill SBEC Ltd., incorporated under the laws of the Province of Alberta, December 19, 1984, is an investment holding corporation established to invest in equity securities of small corporations in Alberta, which corporations qualify for investment under the Small Business Equity Corporations Act (Alberta).

### 1. Summary of significant accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles described in this note.

#### a) Equity investments

Equity investments over which the Corporation has significant influence are accounted for on the equity basis of accounting under which net income includes the Corporation's share of the investees' net income or loss attributable to common shares and dividends received on preferred shares of the investee companies. The cost of the investments is adjusted for the Corporation's share of income or losses since acquisition less dividends received on common shares. Any goodwill upon acquisition is amortized on the straight-line basis over periods not exceeding 40 years.

#### b) Share issue costs

Share issue costs are deducted from the proceeds from the sale of shares. The income tax benefits related to these costs will be recognized as the costs are utilized for income tax purposes.

### 2. SBEC requirements

#### a) Trust fund

Under the terms of the Small Business Equity Corporations Act (Alberta) the Corporation was required to set aside 30% of the proceeds from the initial sale of shares in a trust fund. The trust funds are released to the Corporation on the basis of \$3.00 for every \$7.00 of eligible investments as prescribed in the Act made by the Corporation.

#### b) Capital investment requirement

The Act requires that an SBEC invest a minimum of 40% of its capital in eligible investments prior to the end of the first year of registration and a minimum of 70% prior to the end of the second year of registration. Accordingly, the Corporation is required to have invested a minimum of \$4,000,000 in eligible investments prior to June 20, 1986 and a minimum of \$7,000,000 prior to June 20, 1987. At December 31, 1985 the Corporation had invested a total of \$1,117,500. Subsequent to this date an additional \$750,000 has been

invested. This leaves an amount of \$2,132,500 to be invested by June 20, 1986 of which \$750,000 has been approved by the Board of Directors for two investments, which have not yet been finalized. Management believes that this investment requirement will be achieved.

### 3. Equity investments

Equity investments are comprised of:

Carrying value of investees' net assets at date of investment	\$1,076,438
Goodwill*	41,062
Original purchase price	1,117,500
Add share of investees' income attributable to common shares	13,046
Deduct amortization of goodwill	(712)
Equity investments	\$1,129,834

\*Goodwill arises when the negotiated price paid for an equity investment exceeds the carrying value of the investee's net assets. In arriving at the price to be paid for an investment, management considers such factors as:

- quality of management
- historical earnings and business objectives
- present position in the marketplace
- potential for significant market growth
- present value of future earnings

### 4. Share capital

#### a) Authorized

The Corporation is authorized to issue 1,000,000 common shares, with aggregate consideration not to exceed \$10,000,000.

#### b) Issued

	Shares	Share capital
Balance, beginning of year	5,000	\$500,000
Conversion†	45,000	
Issued during the year for cash	950,000	9,500,000
Balance, end of year	1,000,000	\$10,000,000

† On February 8, 1985, by Certificate of Amendment, the capital of the corporation was reorganized and the issued 5,000 shares were converted to 50,000 shares.

The stated amount of the share capital differs from the share capital shown because the cost of issuing shares less the related income tax savings is deducted from share capital, as shown below:

Stated amount	\$10,000,000
Less:	
Share issue costs (Note 6)	601,454
Income tax savings related thereto (Note 1)	(28,218)
	573,236
Net share capital	\$9,426,764



# C O R P O R A T E I N F O R M A T I O N

## 5. Equity income

Equity income represents income from equity investments and includes:

Share of investees' income less amortization of goodwill	\$12,334
Dividends received on preferred shares	21,000
	<u>\$33,334</u>

Dividends not declared on preferred shares with cumulative dividend rights amounting to \$1,800 at December 31, 1985 are not included in the Corporation's income.

## 6. Management agreement

The Corporation has entered into a management agreement with The Churchill Corporation (the manager) effective January 1, 1985 whereby the manager is responsible for the management and business affairs of the Corporation.

The manager receives an annual management fee of \$250,000 per year. \$125,000 of the 1985 management fee was related to the public offering of shares and has been included in share issue costs. The manager will also receive an incentive bonus calculated by way of a formula based on the value of the Corporation at December 31, 1992. The initial term of the management agreement is for the four years ending January 1, 1989 and is thereafter automatically renewed from year-to-year unless terminated in accordance with the provisions of the management agreement.

## 7. Income taxes

The Corporation's provision for income taxes is made up as follows:

Income taxes based on the combined Federal and Provincial income tax rate of 47.9%	\$116,963
Decrease in provision for income taxes resulting from:	
Tax-free dividends	(82,837)
Non-taxable share of equity investment earnings	(5,908)
Provision for income taxes	<u>\$28,218</u>

The Company has tax losses available in the amount of \$542,544, for which no tax benefit has been recognized in the financial statements, which are available to apply against future taxable income until 1992. These tax losses represent share issue costs which have been deducted from share capital.

## *Head Office:*

2300 Scotia Place  
10060 - Jasper Avenue  
Edmonton, Alberta  
T5J 3R8  
(403) 424-8230

## *Stock Exchange Listing:*

Alberta Stock Exchange

## *Banker:*

Alberta Treasury Branches  
Alberta Place Branch  
10043 - 103rd Street  
Edmonton, Alberta  
T5J 0T3

## *Registrar & Transfer Agent:*

The Royal Trust Company  
700 - Dome Tower  
Toronto Dominion Square  
333 - 7th Avenue S.W.  
Calgary, Alberta  
T2P 2Z3  
  
500 Royal Trust Tower  
Edmonton Centre  
Edmonton, Alberta  
T5J 2Z2

## *Auditors:*

Clarkson Gordon  
Chartered Accountants  
1700 Continental Bank Bldg.  
10250 - 101 Street  
Edmonton, Alberta  
T5J 2P4

## *Solicitors:*

Ogilvie & Company  
Barristers & Solicitors  
1400 Principal Plaza  
10303 - Jasper Avenue  
Edmonton, Alberta  
T5J 3N6

